

**RESOLUTION NO. 16-3**

**BOARD OF TRUSTEES OF OREGON INSTITUTE OF TECHNOLOGY**

**A RESOLUTION AUTHORIZING STAFF TO DEVELOP AND EXECUTE A PURCHASE AGREEMENT WITH CONTINGENCIES FOR THE JERSEY BUILDING AND PROPERTY IN SCAPOOSE, OREGON AS PART OF THE OREGON MANUFACTURING INNOVATION CENTER PROJECT**

**WHEREAS**, the University has the opportunity to participate in the Oregon Manufacturing Innovation Center (OMIC) project, an applied research center with partners and sponsors from industry, higher education, and government;

**WHEREAS**, OMIC has the potential to be transformative for Oregon and for the Oregon Institute of Technology (Oregon Tech);

**WHEREAS**, a facility in Scappoose, Oregon known as the Jersey Building has been identified for sale and appears to have the ideal characteristics to launch OMIC;

**WHEREAS**, the Jersey Building and associated property already has an accepted purchase offer and time is of the essence to try and secure that building for OMIC;

**WHEREAS**, Oregon Tech is the only institution that is capable of responding in time and Oregon Tech serving as the landlord can help catalyze the launch of OMIC;

**WHEREAS**, funds from other partners and sponsors have already been identified to help with the facility acquisition and operations;

**WHEREAS**, Oregon Tech administration believes it is in the best interest of OMIC and the Oregon that the option to purchase the Jersey building be preserved;

**WHEREAS**, the administration has begun discussions and believes that it can put forward a purchase agreement that would be accepted by the owners of the Jersey Building that provides time for Oregon Tech to fully vet the facility and to confirm that the key launch partners of OMIC are committed;

**WHEREAS**, the administration expects out-of-pocket costs for detailed due diligence are likely to be \$50,000; and, earnest money placed in escrow will be required to hold the facility while due diligence is performed;

**WHEREAS**, Oregon Tech's Finance and Facilities Committee of the Board of Trustees completed a preliminary review of the proposed project and ascertained that OMIC is within the mission of the university; has determined that Oregon Tech has sufficient fund balance reserves to lead the acquisition; and, has worked with the administration to tune the due diligence and purchase agreement contingencies; and,

**WHEREAS**, Oregon Tech's Finance and Facilities Committee of the Board of Trustees held a public meeting on May 4, 2016 and passed a motion endorsing the project to the Board of Trustees;

**Now, therefore**, the Board of Trustees resolves as follows:

## Section 1

Oregon Tech administration is authorized to develop and execute a purchase agreement for the Jersey building facility and property with the following provisos:

1. It will include two rounds of due diligence as described below with specific legal contingencies each of which are to be reviewed and approved by the Board of Trustees prior to closing on the purchase of the facility.
  - Initial due diligence (~45 days)
    - Title report
    - Environmental inspections
    - Ingress/egress options - easement documentation
    - Flood plain determination
    - Appraisal with the appraised value being equal to or greater than \$4.2M
    - Well log and quality test
    - Septic/digester inspection
    - Verify zoning against intended uses
    - Radon testing
    - Pre-buy building/property inspection by third-party commercial service
    - Verify that high-bay area has the floor and power we need for the machining centers Boeing and others would like us to house
    - Board approval of primary due diligence results and to move to secondary due diligence
  - Secondary Due Diligence (~74 days) – triggers another payment of additional earnest money to be held in escrow
    - Legislative approval and release of State Lottery bond funding and bridge financing until bond sale is complete and proceeds are available
    - Anchor tenant or similar identified – preferably 3-5 corporate commitments as members – Boeing would be one, others would need to be identified
    - Agreements (leases/partnership) between OSU, PSU and OIT
    - PCC Training facility adjacent location – could resolve ingress/egress issues
    - EDA grant
    - Resolving Albany Research Center (NETL) interest in co-locating on this property
    - OMIC corporate entity created
    - Validate Boeing equipment transfer
    - Board approval of secondary due diligence results.
2. The total net outlay from the university to acquire the facility shall not exceed \$1.75M for capital and due diligence investigation.

3. That earnest money placed in escrow toward the facility purchase will be refundable if the contractual contingencies are not satisfied including final approval of Oregon Tech's Board of Trustees.
4. Final approval will be contingent upon execution of appropriate agreements with members, sponsors, and partners with OMIC and upon the approval of government funding for the project.

**Section 2**


This Resolution shall take effect immediately upon approval by the Board.

Moved by Trustee Sliwa


Seconded by Trustee Gomez

Trustee	Yes	No
Jeremy Brown	X	
Melissa Ceron	Absent	Absent
Bill Goloski	X	
Jessica Gomez	X	
Lisa Graham	X	
Kathleen Hill	X	
Jill Mason	X	
Kelley Minty Morris	X	
Celia Núñez	X	
Dan Peterson	X	
Steve Sliwa	X	
Paul Stewart	X	
Fred Ziari	X	

Approved and dated this 6th day of May, 2016.

  
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 Lisa Graham  
 Board Chair

ATTEST:

  
\_\_\_\_\_  
Sandra Fox  
Board Secretary

I, \_\_\_\_\_, Secretary of the Board, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Oregon Institute of Technology Board of Trustees at the meeting held on the 6th day of May, 2016, and thereafter approved and signed by the Chair and attested by the Secretary of the Board.

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Secretary of the Board